



BY THE SENATE,

FEBRUARY 26th, 1874.

Read, and five hundred copies ordered to be printed.

By order,

AUGUSTUS GASSAWAY,

Secretary.

REPORT

OF THE

ANNAPOLIS & ELKRIDGE

Railroad Company,

IN RESPONSE TO

Resolutions of the Senate, January 22nd, 1874,

WITH ACCOMPANYING TABLES.

ANNAPOLIS:

WM. T. IGLEHART & CO., PRINTERS TO THE SENATE.

1874.

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REPORT.

To the Honorable,

The Senate of Maryland:

In compliance with the request of the Senate, contained in its order of the 22nd ultimo, (a copy of which we had the honor to receive,) as follows :

“Ordered, That the Annapolis and Elk Ridge Rail Road Company communicate to the Senate :

“*First.* A list of the names of all the Stockholders, Directors and Officers of the Company, and the salary paid to each Officer.

“*Second.* Copies of the last two Annual Reports made by the Directors to the Stockholders.

“*Third.* The amount and denomination of the Company's bonds and certificates of debt, issued under the Act of 1872, chapter 425, the amount sold, or in any manner disposed of, to whom, and the rate at which, and the objects and purposes for which they were so sold or disposed of, specifying severally how much was expended in repairs, reconstruction, cars, locomotives, and other purposes necessary to the proper working of the road.

“*Fourth.* The amount of debts due by the Company, and to whom, and the objects for which such debts were contracted, and when they were contracted.”

I have the honor, on behalf of the said Company, to report:

First. A list of the names of all the Stockholders (other than the State of Maryland) is hereto appended, (marked “A.”)

The State was authorized, under the charter, to subscribe to the capital stock to the amount of \$300,000, and to elect one Director for every \$100,000 of stock. This subscription was doubtless made, for the amount (or the greater portion) of the money was paid by the State on account of the subscription, and the State has always since elected three Directors; but there is no evidence on the books of the Company

of such subscription having been made, nor have we been able to gain from the books of the Treasury Department of the State any evidence of any actual subscription or entry of such subscription having been made, or of any certificate of stock or other acknowledgement by the Company of such subscription. In the books of the Comptroller the interest of the State as a Stockholder in the Company is stated to be \$299,378.41, instead of \$300,000. How this discrepancy arose we have no means of explaining. This amount is probably the amount of payment actually made by the State, the bonds issued and sold by the State for the purpose only netting that amount, and no steps being taken to obtain the payment of the residue due upon the State's subscription. It does not seem, however, to be a matter of any practical importance, the fact of the subscription being unquestionable and having been assured in all the transactions between the Company and the State, and is here mentioned only as a fact in connection with the inquiry made. It would seem to appear, however, as if the State were still a debtor for a small balance on account of its subscription

A list of the Directors and Officers of the Company, and a statement of the salaries of the Officers of the Company, is hereto appended, (marked "B.")

In this connection we desire to make a comparison of the salaries paid the officers and employees of the Company before the present management took charge of its affairs, and those paid at present :

Salaries Paid under former Management.

OFFICERS, &c.	Salaries.
President and Superintendent.....	\$2,400 00
Secretary	1,800 00
Gen'l Ticket and Freight Ag't and Treasurer.	1,500 00
Conductor	1,500 00
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	\$7,200 00

Present Salaries for Similar Duties.

OFFICERS, &c.	Salaries.
President.....	\$1,200 00
Vice-President and General Manager.....	2,000 00
Secretary and Assistant Treasurer.....	800 00
General Ticket and Freight Agent.....	600 00
Conductor, (\$2.50 per day,) about.....	800 00
	<hr/>
	\$5,400 00
An additional employee—a Master of Machinery—is now engaged, at \$125 per month, making	1,500 00
	<hr/>
	\$6,900 80

This additional employee, necessary for the reconstruction and renewal of the rolling stock, and so essential to the safe and proper running of the road, is rendering most efficient service to the Company, much more than saving the amount of his salary; and yet, even with his salary added, the total amount paid for salaries is less than that heretofore paid. And, besides, it was heretofore the custom to pay, from time to time, additional compensation to officers, and it appears from the books of the Company that considerable sums have been applied in this way; whereas, now, no additional compensation whatever is allowed or will be paid. It may also be remarked, that Mr. Hutton, the accomplished and skillful General Manager (whose services have already proved so efficient and productive of economical management,) having had other duties to discharge as Chief Engineer of the Western Maryland Rail Road, and unable to give to this road all the time and attention which he thought it ought to have, has heretofore claimed and received but one-half of his salary; but now he has ceased his connection with the Western Maryland Rail Road, and will, of course, receive his regular salary, and no one who knows him well will doubt that the salary paid for his services will be money well laid out.

Second. I hereto append copies of the last two Annual Reports, (marked "C" and "D.")

Third. A statement of the bonds issued by the Company, under the Act of 1872, chapter 425, is hereto appended, (marked "E.")

The whole amount of bonds provided for by the mortgage executed by the Company, were \$400,000. Of these, only \$156,000 have been actually sold up to the present time, and it is not the purpose of the Company to offer any more for sale.

\$50,000 more of these bonds have been loaned to the Baltimore and Drum Point Rail Road Company, under the following circumstances and conditions, and upon the security for the return thereof hereinafter named :

The Baltimore and Drum Point Rail Road Company having located its lines in such manner that a portion of the Annapolis Railroad could be used by it with manifest economy in construction, partly as a branch to Annapolis, and in part as a portion of its main line, looking also to an ultimate consolidation of the two roads as to a mutual benefit, purchased the private stock which had for years past controlled the road, with the intention of obtaining also the interest of the State, if it could be had at a reasonable cost.

One of the conditions of the purchase was the payment of \$50,000 in the bonds of this Company, which amount was temporarily loaned to the Drum Point Company for the purpose, the stock so purchased being pledged as collateral security for their return or repayment.

A bill for the purchase of the State's interest (a measure manifestly wise, considering the best interests of the State,) passed your Honorable Body at its last session, but failed to be finally acted on by the House of Delegates, for want of time. This purchase of the State's interest, the Drum Point Company is still desirous of making, with a view to the consolidation of the two Companies, and, it is respectfully urged, should be authorized by the Legislature.

In view of their mutual interests, and to increase business over its own lines, this Company also contracted with the Baltimore and Drum Point Rail Road Company to assist in building the portion of its road between the junction with the Annapolis Road and Butler's Tavern, (near West River,) the contract providing for the control and operation of this branch by this Company until fully reimbursed for the amounts so advanced. The advances were further secured

by the deposit of \$200,000 of the bonds of the Baltimore and Drum Point Rail Road Company, which, though at the time of apparently little value, yet being the first and only bonds so far issued by the Company, and as the money would only be expended in proportion as the work progressed, and being also the proportion of said bonds corresponding to the length of the line contracted for, their value would correspondingly increase with the progress of the work upon it.

All these arrangements were made with the full concurrence of the Directors on the part of the State.

In accordance with this arrangement, the Baltimore and Drum Point Company has received in money the sum of \$21,663.71, the use of \$80,000 of the bonds of this Company as collateral security for a loan of \$50,000, the greater part of which has been practically liquidated, leaving only about \$8,000 still due, which will soon be entirely liquidated by subscriptions called in, and the bonds released to the Company; and the use of a further amount of \$72,000 of said bonds as collateral security for a further loan of \$20,000, which amount will also be shortly repaid by subscriptions about to be collected, and the bonds be thereby released and returned to the Company. This will leave the \$50,000 in bonds, and the \$21,663.71 in money, as the amount actually advanced to the Baltimore and Drum Point Company, and this is amply secured by the collateral security given as before stated.

The Act of 1872, chapter 425, contained no limitation of the issue of bonds to the sole purpose of the extension of the Railroad to the water; and it is hard to perceive how such an impression could have been conceived. A considerable sum was also absolutely necessary for the proper repair and renewal of the road, and for repairs and additions to the rolling stock and other necessary purposes of the Company, for which the sum of \$142,681.32 has been expended, being an excess of \$11,345.03 over and above the amount derived from the sale of bonds, as will appear by a statement of the expenditures upon the road, rolling stock, &c., hereto appended, (marked "F.") Besides, the Company has also paid a debt of \$5,000 due the Farmers' National Bank of Annapolis, which was contracted under the former management.

The road has thus far not been extended to the water, only because of the inability to obtain the right of way through the city and the land of the United States, bought of St John's College, outside of the Naval Academy grounds, to the lot of the Company on the Severn, which was deemed the best and only practicable location for the terminus. Negotiations for the purpose have been for some time in progress, with a prospect of an early and successful termination.

The Directors of this Company are satisfied that the Baltimore and Drum Point Rail Road, with the proposed subscriptions from Anne Arundel and Calvert counties, which are expected to be finally confirmed by the Legislature at its present session, (bills for the purpose having been passed at the last session and ratified by the people of the respective counties,) will be placed upon a good and substantial basis for its successful completion; and this being the case, it is manifestly to the advantage of the Annapolis and Elk Ridge Rail Road, that it should be operative jointly with the other.

It must be evident to your Honorable Body that the repair and renewal of the Annapolis and Elk Ridge Rail Road, so necessary to the personal safety of yourselves and your associates in the government of the State, as well as of the public, could not have been accomplished by the Company in its past condition. It needed the stimulus and credit given by another interest to which it would be of value while looking forward to the increase of its own revenues from the same connection.

Fourth.—Besides the bonds issued, there are no outstanding debts or obligations due by this Company, other than for the current operating expenses, bills for which are provided for out of the earnings of the road on the first day of each month, and which vary in amount from day to day as bills are contracted or paid, amounting now probably to between one and two thousand dollars—the exact amount not being capable of ascertainment until the bills are actually rendered.

All of which is respectfully submitted.

D. R. MAGRUDER,
President.

(A.)

*Names of persons Owning Stock in the Annapolis and Elk Ridge
Rail Road Company, October 1st, 1873.*

NAMES OF STOCKHOLDERS.	NAMES OF STOCKHOLDERS.
<p>Richard I. Jones, Thomas S. Alexander, George Wells, John Miller, Vachel Sevier, John Johnson, Jr., Brice J. Worthington, Nicholas Brewer, Jr., Alexander Randall, Peter Sanssar, William S. Green, Wm. S. Green, Jr., Thomas Birmingham, Danl. S. Caldwell, Thomas G. Waters, Henry Maynadier, John Ridout, James Sands, Dr. Dennis Claude, Richard R. Goodwin, James Allison, John S. Sellman, Wm. Ross, F. L. Barreda, Geo. H. Steuart, Isaac Solomon, Danl. R. Magruder, John G. Butler, Thos. S. Iglehart, Wm. R. Hutton,</p>	<p>Joseph Sands, Wm. & Geo. Camden, Dr. Abram Claude, Virgil Maxey, George W. Hughes, Charles N. Hagner, Jonathan Ellicott & Sons, Joseph H. Nicholson, Edward Dubois, Richard I. Crabb, Wm. Bryan, Jeremiah Hughes, Ramsey Waters, Sarah S. Lloyd, John Glenn, James H. Iglehart, Thomas G. Pratt, Joshua Brown, Thomas A. Mitchell, James R. Howison, Luther Giddings, Eleanor Calvert, Wm. Bryan, Trustee.</p> <p><i>For the Baltimore and Drum Point Rail Road Company.</i></p>

(B.)

BOARD OF DIRECTORS AND OFFICERS

OF THE

Annapolis and Elk Ridge Rail Road Company.

State Directors.

AUGUSTUS GASSAWAY, JAMES I. WADDELL,
N. E. BERRY.

Directors for Private Stockholders.

F. L. BARREDA, ISAAC SOLOMON,
THOS. S. IGLEHART, WM. R. HUTTON,
GEO. H. STEUART, JOHN G. BUTLER.

Officers of the Company.

DAN'L R. MAGRUDER.....*President.*
WM. R. HUTTON,.....*V. Pres't and Gen'l Manager*
GEO. H. STEUART.....*Treasurer.*
JNO. G. BUTLER,.....*Secretary and Ass't Treas.*
FREDERICK L. BARREDA.....*Chm'n Executive Committee.*

Salaries of Officers.

Salary of the President.....\$1,200 per annum.
" " V. Pres't and Gen'l Manager.....\$2,000 " "
" " Secretary and Ass't Treas.....\$ 800 " "

TABLE C.—(Continued.)

*Statement of Assets and Liabilities of the Annapolis and Elk
Ridge Rail Road Company, October 1st, 1872.*

LIABILITIES.		Total.
1st Mortgage 6 per cent. Gold Bonds, due January, 1893.....		\$120,000 00
Coupons payable January and July.		
Railroad Companies.....		2,051 17
ASSETS.	Total.	
Cash.....	\$ 40,052 42	
Profit and Loss—Construction Account... \$63,863 99		
Profit and Loss—Bond Account 18,000 00		
	81,863 99	
Railroad Companies.....	7 00	
Individuals.....	127 76	
	\$122,051 17	\$122,051 17

(D.)

*Receipts and Expenditures of the Annapolis and Elk Ridge Rail
Road Company, for the year ending October 1st, 1873.*

RECEIPTS.	Total.
From Passengers.....	\$24,131 00
" Freights \$8,978 06	
" " U. S. Mails..... 1,550 00	
" " Express Company.... 1,420 79	
	<hr/> 11,948 85
Rents.....	80 00
Miscellaneous.....	110 64
	<hr/> <hr/> \$36,270 49
EXPENDITURES.	
Fuel.....	\$ 5,873 12
Cross-Ties.....	13,151 67
Repairs and Materials.....	898 10
Expense Account.....	5,606 00
Repairs to Buildings.....	86 29
" Water Stations.....	128 73
" Locomotives.....	5,322 58
" Freight Cars.....	1,424 03
" Passenger "	470 62
Rolling Stock.....	10,107 34
Gaslight.....	286 12
Stationery and Printing.....	426 38
Operating Expenses.....	14,049 15
Renewal of Road.....	13,963 59
Discount on Bonds.....	6,800 00
Interest on Bonds	8,069 77
	<hr/> <hr/> \$86,663 49

TABLE D.—(Continued.)

Statement of Assets and Liabilities of the Annapolis and Elk Ridge Rail Road Company, October 1st, 1873.

LIABILITIES.		Total.
1st Mortgage 6 per cent. Gold Bonds, due January, 1893.....		\$153,000 00
Coupons payable January and July.		
Loan Account.....		130,000 00
Bills Payable.....		3,749 25
Rail Road Companies.....		1,816 43
ASSETS.		Total.
Cash.....		\$ 3,407 71
Railroad Companies.....		21,833 12
Individuals		476 20
U. S. P. O. Department.....		741 66
Profit and Loss—Construction Account... \$ 99,237 22		
Profit and Loss—Bond Account..... 32,869 77		132,106 99
Provisional Loan.....		130,000 00
		<hr/>
		\$288,565 68
		<hr/>
		\$288,565 68

(E.)

STATEMENT OF FUNDED DEBT,

TO OCTOBER, 1873.

Amount and Denomination of Funded Debt of Annapolis and Elk Ridge Rail Road Company, issued under Act of 1872, chapter 425 :

\$400,000, First Mortgage Bonds.

Denomination, \$1,000 each.

Principal and Interest payable in Gold.

Principal payable 1st January, 1893.

Coupons payable 1st of January and July each year.

\$153,000 of the Bonds have been sold through Messrs. Alexander Brown & Sons—

\$119,000 at 85 cts.

\$34,000 at 80 cts.

These Bonds have been purchased by individuals unknown to the Company, with very few exceptions. The money received for these Bonds has been used in renewing the road of the Company, as appears by statements forwarded herewith. \$130,000 of Bonds have been temporarily loaned to Baltimore and Drum Point Rail Road Company, under contracts entered into for the mutual advancement of the interests of both Companies.

(F.)

Cost of Renewal of Road, &c., Annapolis and Elk Ridge Rail Road, to October 1st, 1873.

1872:		
Iron, (Rails, &c.).....	\$ 55,125 83	
Company's Note.....	5,000 00	
Discount on Bonds.....	18,000 00	
Cross-Ties.....	2,076 49	
Repairs and Materials.....	1,511 67	\$ 81,713 99
1873:		
Cross-Ties	\$ 13,151 67	
Repairs to Buildings.....	86 29	
“ “ Freight Cars.....	1,424 03	
“ “ Passenger Cars.....	470 62	
“ “ Locomotives.....	5,322 58	
“ “ Water Stations.....	128 73	
Renewal of Road, (Labor,).....	13,963 59	
Rolling Stock.....	10,107 34	
Interest on Bonds.....	8,069 77	
Discount on “	6,800 00	
Premium and Commissions.....	1,442 71	60,967 33
Provisional Loan (Credit Acct.)	\$ 80,000 00	\$142,681 32
B. & D. P. R. R. (Bond Loan)..<	50,000 00	
“ “ “ “ “ “ (Cash Loan)..<	21,663 71	151,663 71
Bonded Debt.....	\$283,000 00	\$294,345 03
Deduct above.....	294,345 03	
Cash received from Bonded Debt	\$ 11,345 03	in excess of

